



Report To: Cabinet

Date: 24th July 2024

Subject: Pool Car renewal

Purpose: Request for Capital Funds to replace a number of Pool Cars.

Key Decision: No

Portfolio Holder: Councillor Sandeep Ghosh

Report Of: James Gilbert, Assistant Director – Corporate

Report Author: James Ward, Business Analyst

Ward(s) Affected: No specific ward impacts

Exempt Report: No

Summary

BBC Own and operate a total of 5 Toyota Aygo pool cars for use by staff. These vehicles which were purchased in 2011 are now well beyond serviceable age and require disposal/replacement.

This report therefore seeks to secure capital funds to enable the pool cars to be replaced with 3 full electric EV Nissan Leaf hatchbacks plus 1 Nissan Townstar small van

Recommendations

That Cabinet:

1. Approves the addition of £68,000 to the Capital Programme to enable the purchase of pool car vehicles as set out in this report; and
2. Notes that the capital expenditure will be financed through MRP (Minimum revenue provision) over the 7 year anticipated life of the assets. Also facilitating future replacement in accordance with asset-life.

Reasons for Recommendations

- The vehicles are no longer considered fit for purpose. Replacement vehicles are necessary to ensure staff can continue to undertake site visits, inspections and attend meetings.

Other Options Considered

- Do nothing – not recommended. The pool vehicles provide an important function to many services across the council, including planning building control, housing and environmental health in particular. The fleet is in need of renewal as the vehicles are in excess of 13 years old and all carry high mileage.

1. Background

- 1.1 Pool cars were introduced in Boston July 2011 and have been used by staff to undertake business trips, site visits and inspections on behalf of the council.
- 1.2 Recently analysis was undertaken between pool car usage and private mileage claims, this analysis shows that since becoming operational in 2017 the pool cars have typically operated at a NET cost of around £0.30 per mile; this is £0.15 per cheaper than the staff reimbursement rate of £0.45p/m. For this reason it is economically beneficial for business mileage to be undertaken in pool cars wherever possible

This information was presented to SLT who approved the renewal of the fleet on the basis as follows.

- To renew the pool car fleets for East Lindsey and Boston on a 'Fair Economical Life' basis; that vehicle's be replaced, at an optimum economical point.
- That replacement vehicles should be of a 'hybrid' type to assist with the carbon reduction strategy.
- Diesel vehicles should be avoided due to negative environmental impacts.
- That as far as possible, the fleet should be uniformed, removing the current approach of running multiple different vehicle manufacturers, specifications, and types.

Following this feedback, a further review of the current ELDC Fleet and Boston Fleet has been undertaken, and an exercise undertaken to identify a suitable replacement vehicle specification and renewal schedule.

- 1.3 The key rationale and benefits of providing pool cars to staff is as follows:

The effective cost per mile of the pool cars after accounting for fuel, maintenance, insurance and operating costs is calculated to be circa £0.28-£0.30 per mile, in comparison to the £0.45 per mile which is paid to staff when utilising their own vehicle for business journeys. Since the introduction of the existing pool cars they are estimated to have saved around £75,000 in revenue expenditure to the council on mileage claims alone.

The provision of pool cars encourages staff to plan business journeys in advance and reduces the frequency of ad-hoc and unnecessary travel.

The provision of pool cars enables staff without access to their own personal vehicle to undertake business journeys.

1.4 In total there are currently 5 Staff Pool cars operated as per below summary:

Vehicle type	Registration	Age	Mileage at latest MOT (January 2024)
Toyota Aygo	FR11 HTC	13 yrs	107,016
Toyota Aygo	FR11 HTD	13 yrs	81,245
Toyota Aygo	FR11 THE	13 yrs	85,078
Toyota Aygo	FR11 HTF	13 yrs	86,011
Toyota Aygo	FR11 HTG	13 yrs	83,705

1.5 The vehicles are now 13 years old, have high mileage and suffer from a number of defects. The vehicles are considered to be past serviceable condition.

1.6 In addition it may be noted that the Toyota Aygo vehicles that have been used are not considered to be ideal specification for business use as they are deemed too small for many of the required business uses.

2. Report

2.1 In 2023 a review determined it was possible to rationalise the fleet size down from 5 vehicles to 4 vehicles.

2.2 It was also noted that the average daily journey distance rarely exceeded a 100 miles and so it was identified that electric vehicles should be investigated for use.

2.3 A desk-based exercise was undertaken to shortlist potentially suitable vehicles and then inspections were undertaken on the shortlisted vehicles, by the Transformation Team and the 'Age Friendly Officer'. Initial shortlisting considered a range of vehicles including full EV, hybrids and petrol vehicles.

On completion of this shortlisting exercise it was identified that the 'Nissan Leaf Tekna hatchback' was the preferred vehicle type as it satisfied all the pool vehicle criteria including enhanced cargo space, range and charging requirements. In addition, it was noted that the EV Nissan Leaf vehicles are currently substantially discounted on the Crown Procurement Portal. This specification of vehicle was identified as suitable for replacement of 3 of the current fleet, with a petrol van identified as preferred for the 4th vehicle to provide function for trips requiring longer ranges and larger equipment transfer.

2.4 The cost of the 4 vehicles proposed to be purchased is as follows:

Vehicle Details	List price (£)	Discount %	Discount (£)	NET (£)
3 x Nissan Leaf Tekna (including charging cable, delivery and First registration fee)	83,693	42%	(34,452)	49,240
1 x Nissan TownStar van inc delivery + First reg fee	22,659	18%	(3,979)	18,680
Subtotal				67,920

2.5 It is proposed that this addition to the Capital programme of £68,000 is financed through MRP over a period of 7 years totalling £9,703 per annum which will also assist in future asset replacement at the end of the vehicles usable life.

It is proposed that members approve the replacement vehicles following an internal review.

Corporate Priorities

The pool car fleet enable the delivery of key Council services.

3 of the vehicles to be purchased are EV, meaning they will support the Council's commitment to reducing its impact on the environment.

Staffing

None

Workforce Capacity Implications

None

Constitutional and Legal Implications

None

Data Protection

None

Financial

As set out in the body of the report.

Risk Management

None

Stakeholder / Consultation / Timescales

Pool car users will be briefed regarding the vehicle fleet renewal, however the proposal does not require formal consultation.

Reputation

None

Contracts

The vehicles are proposed to be purchased through the Crown Fleet Procurement Portal. Contracts are raised directly with chosen suppliers.

Crime and Disorder

None

Equality and Diversity / Human Rights / Safeguarding

None

Health and Wellbeing

None

Climate Change and Environmental Implications

The proposed replacement of 3 of the council's 5 petrol pool car vehicles with full EV vehicles will contribute towards the Council's decarbonisation targets.

Links to 12 Missions in the levelling Up White Paper

The project indirectly contributes towards the 'Levelling up' 12 Missions' as the cars are needed to undertake the business of the Council.

Missions This paper contributes to the following Missions outlined in the Government's Levelling Up White paper.	
Living Standards	By 2030, pay, employment and productivity will have risen in every area of the UK, with each containing a globally competitive city, with the gap between the top performing and other areas closing.
Research and Development	By 2030, domestic public investment in Research & Development outside the Greater South East will increase by at least 40% and at least one third over the Spending Review period, with that additional government funding seeking to leverage at least twice as much private sector investment over the long term to stimulate innovation and productivity growth.
Transport Infrastructure	By 2030, local public transport connectivity across the country will be significantly closer to the standards of London, with improved services, simpler fares and integrated ticketing.
Digital Connectivity	By 2030, the UK will have nationwide gigabit-capable broadband and 4G coverage, with 5G coverage for the majority of the population.
Education	By 2030, the number of primary school children achieving the expected standard in reading, writing and maths will have significantly increased. In England, this will mean 90% of children will achieve the expected standard, and the percentage of children meeting the expected standard in the worst performing areas will have increased by over a third.
Skills	By 2030, the number of people successfully completing high-quality skills training will have significantly increased in every area of the UK. In England, this will lead to 200,000 more people successfully completing high-quality skills training annually, driven by 80,000 more people completing courses in the lowest skilled areas.

Health	By 2030, the gap in Healthy Life Expectancy (HLE) between local areas where it is highest and lowest will have narrowed, and by 2035 HLE will rise by 5 years.
Wellbeing	By 2030, well-being will have improved in every area of the UK, with the gap between top performing and other areas closing.
Pride in Place	By 2030, pride in place, such as people's satisfaction with their town centre and engagement in local culture and community, will have risen in every area of the UK, with the gap between the top performing and other areas closing.
Housing	By 2030, renters will have a secure path to ownership with the number of first-time buyers increasing in all areas; and the government's ambition is for the number of non-decent rented homes to have fallen by 50%, with the biggest improvements in the lowest performing areas.
Crime	By 2030, homicide, serious violence, and neighbourhood crime will have fallen, focused on the worst-affected areas.
Local Leadership	By 2030, every part of England that wants one will have a devolution deal with powers at or approaching the highest level of devolution and a simplified, long-term funding settlement.

Acronyms

None

Appendices

None

Background Papers

No background papers as defined in Section 100D of the Local Government Act 1972 were used in the production of this report.

Chronological History of this Report

A report on this item has not been previously considered by a Council body

Report Approval

Report author:	James Ward – Business Analyst james.ward@e-lindsey.gov.uk
Signed off by:	James Gilbert – Assistant Director (Corporate) james.gilbert@e-lindsey.gov.uk
Approved for publication:	Councillor Sandeep Ghosh

Finance Proforma

Proforma for Approval of the Release of Resources
(Capital and Revenue Budgets)

From:

This Proforma provides the financial implications in respect of the attached

Report:

Report Date:

Option 1	£ Year 1 2020/21	£ Year 2 2021/22	£ Year 3 2022/23	£ Year 4 2023/24	£ Year 5 2024/25
Revenue	No material impacts on existing revenue budgets				
Total Revenue Cost	£0				

Funding required:		Considered by:	Date:
Total capital cost	£67,920 + VAT as per section 2.4	Enter committee here	
Revenue cost	£0	Enter Council or Cabinet/Executive here	

Financial Services Comments

Risk

Procurement

Value for Money Efficiency

This FP is valid for 3 months from FP date	If this FP is no longer required please advise Finance	If there are changes to the original report it may invalidate this document, it must be reviewed by Finance.